

**United States House of Representatives
STAFF REPORT**



**Oversight of Conference Spending
Saves Taxpayers Hundreds of Millions of Dollars**

**Prepared for John L. Mica
Member of Congress
113th Congress**

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Executive Summary

This report is an examination of the impact of Congressional and Inspector General oversight of federal decision-making and spending on conferences. In 2009, Congressman John Mica (FL-07) began to look into irregularities in protocol and federal decision-making regarding conference locations and spending. At that time, Department and Agency conference planners contracted with little regard for budgetary considerations. As a result, taxpayers were forced to pay for outrageous federal junkets. Some of these conferences included high-priced food and entertainment as well as promotional items and improperly accepted gifts. Unfortunately, wasteful spending on federal conferences is not unique to a specific agency.

The federal government bears significant responsibility for wasting taxpayer dollars on unacceptable and unnecessary conferences. Congressional and Inspector General oversight has led to the implementation of tighter controls over conference spending and the elimination of frivolous and gratuitous expenditures. As a result of Congressional oversight, taxpayers have saved hundreds of millions of dollars at IRS, GSA, VA and DOD since FY 2010. These reforms and increased transparency have put Departments and Agencies on notice that wasteful spending on conferences will no longer be tolerated.

Based on estimated savings from these four agencies over past years, government wide savings from reductions in conference spending could reach as high as half-a-billion dollars annually.

Key Findings

For IRS, GSA, VA and DOD, Congressional and Inspector General (IG) oversight of federal spending on conferences has resulted in an estimated savings to taxpayers of more than \$219 million since FY 2010.

- Prompted by Congressional and IG oversight, On November 9, 2011, President Obama issued Executive Order 13589 that directed - “Each agency, agency component, and office of inspector general should designate a senior level official to be responsible for developing and implementing policies and controls to ensure efficient spending on travel and conference related activities.”
- As of FY2012, agencies are required to report annual spending on conferences in excess of \$100,000.

I. IRS Conference Spending

- IRS spending on conferences decreased from \$37.6 million in FY2010 to \$4.9 million FY2012. This resulted in a net decrease of 87% from FY2010 to FY2012.

- ***IRS' reduction in conference spending equates to an estimated \$64.1 million in savings to taxpayers since FY2010.***
- On June 6, 2013, the House Oversight and Government Reform Committee held a hearing on the IRS SB/SE All Managers Conference in Anaheim, CA.

Hearing Findings:

- IRS hired 15 outside speakers to present at the conference at a total cost of \$135,000.
- IRS spent \$11,430 to have Shawn Anchor, a happiness expert, lead four 90-minute workshops.
- Conference attendees received \$64,000 in gifts, trinkets and swag. Some of these gifts included goodie bags containing frames, clocks, lanyards, mugs and plastic squirting fish.
- IRS wasted \$50,187 for two videos shown at the conference. The first was a Star Trek spoof and the second was referred to as the "Cupid Shuffle".

II. GSA Conference Spending

- GSA spending on conferences decreased from \$10.9 million in FY2010 to \$1.3 million in FY2012. This resulted in a net decrease of 88% from FY2010 to FY2012.
- ***GSA's reduction in conference spending equates to an estimated \$14 million in savings to taxpayers since FY2010.***
- On April 17, 2012, the House Transportation and Infrastructure Committee held a hearing on GSA's 2010 Western Regions Conference in Las Vegas, NV.

Hearing Findings:

- GSA spent \$136,504 on eight separate pre-conference scouting trips.
- Conference attendees received gifts that cost of more than \$23,000. These included commemorative coins, canteens, carabineers and a yearbook.
- GSA spent \$75,000 for a bicycle building team exercise.

III. VA Conference Spending

- VA spending on conferences decreased from \$86.5 million in FY2011 to \$7.5 million through the first nine months of FY2012. This resulted in an estimated decrease of 88%.
- ***VA's reduction in conference spending equates to an estimated \$76.5 million in savings to taxpayers since FY2011.***

- On October 30, 2013, the House Oversight and Government Reform Committee held a hearing on the VA's 2011 Human Resources conferences in Orlando, FL.

Hearing Findings:

- VA spent approximately \$98,000 on promotional items, including notebooks, water bottles, fitness walking kits, giant teddy bears and hand sanitizers.

IV. DOD Conference Spending

- DOD spending on conferences that cost in excess of \$100,000 decreased from \$89 million in FY2012 to \$12.3 million through the first six months of FY2013.
- ***DOD's reduction in conference spending equates to an estimated \$64.4 million in savings to taxpayers since FY2012.***

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